

AMENDED IN ASSEMBLY AUGUST 18, 2014

AMENDED IN ASSEMBLY MARCH 25, 2014

AMENDED IN ASSEMBLY MARCH 12, 2014

AMENDED IN ASSEMBLY AUGUST 7, 2013

AMENDED IN ASSEMBLY JUNE 19, 2013

AMENDED IN SENATE MAY 8, 2013

AMENDED IN SENATE APRIL 4, 2013

SENATE BILL

No. 699

Introduced by Senator Hill

(Coauthor: Assembly Member Gatto)

February 22, 2013

An act to amend Section 364 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 699, as amended, Hill. Public utilities: electrical ~~and gas corporations~~. *corporations*.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the commission to adopt inspection, maintenance, repair, and replacement standards for the distribution systems of electrical corporations in order to provide high-quality, safe, and reliable service. Existing law requires the commission to conduct a review to determine whether the standards have been met and to perform the review after every major outage.

~~This bill would require the commission to adopt rules *commission, in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, to consider adopting rules to* address security threats to the distribution systems of electrical corporations, to be adopted by the commission with inspection, maintenance, repair, and replacement standards no later than July 1, 2015. corporations.~~

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill are within the act and require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) ~~Physical or electronic threats~~ *Threats* to the electrical
- 4 distribution system could threaten public health and safety and
- 5 disrupt economic activity in California.
- 6 (b) Ensuring appropriate actions are taken to protect and secure
- 7 vulnerable electrical distribution system assets from ~~physical or~~
- 8 ~~electronic~~ threats that could disrupt safe and reliable electric
- 9 service, or disrupt essential public services, including safe drinking
- 10 water supplies, are in the public interest.
- 11 (c) Proper planning, in coordination with the appropriate federal
- 12 and state regulatory and law enforcement authorities, will help
- 13 prepare for attacks on the electrical distribution system and thereby
- 14 help reduce the potential consequences of such attacks.
- 15 SEC. 2. Section 364 of the Public Utilities Code is amended
- 16 to read:

364. (a) The commission shall adopt inspection, maintenance, repair, and replacement standards, and ~~adopt shall, in a new proceeding, or new phase of an existing proceeding, to commence on or before July 1, 2015, consider adopting~~ rules to address security threats, ~~for threats to the distribution systems of electrical corporations by no later than July 1, 2015. The standards, corporations. The standards or rules,~~ which shall be performance or prescriptive standards, ~~based,~~ or both, and may be based on risk management, as appropriate, for each substantial type of distribution equipment or facility, shall provide for high-quality, safe, and reliable service.

(b) In setting its ~~standards,~~ *standards or rules*, the commission shall consider: cost, local geography and weather, applicable codes, potential security threats, national electric industry practices, sound engineering judgment, and experience. The commission shall also adopt standards for operation, reliability, and safety during periods of emergency and disaster. The commission shall require each electrical corporation to report annually on its compliance with ~~the standards. That standards or rules. Except as provided in subdivision (d),~~ that report shall be made available to the public.

(c) The commission shall conduct a review to determine whether ~~the standards~~ *standards or rules* prescribed in this section have been met. If the commission finds that ~~the standards~~ *standards or rules* have not been met, the commission may order appropriate sanctions, including penalties in the form of rate reductions or monetary fines. The review shall be performed after every major outage. Any money collected pursuant to this subdivision shall be used to offset funding for the California Alternative Rates for Energy Program.

(d) *The commission may, consistent with other provisions of law, withhold from the public information generated or obtained pursuant to this section that it deems would pose a security threat to the public if disclosed.*

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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